



February 14, 2007

Mr. Ron Gavillet, EVP and General Counsel
Neutral Tandem, Inc.
2 North La Salle, Suite 1615
Chicago, IL 60602

Re: February 16, 2007 Meeting

Dear Mr. Gavillet:

In anticipation of our discussions this Friday, February 16th, we wanted to provide Neutral Tandem with some additional background regarding Level 3's intentions and goals for establishing a new commercial relationship.

As you know, Level 3 already has provided written notice of its intent to terminate the agreement between Neutral Tandem and Level 3 Communications, LLC. Fundamentally, this agreement provides no material benefit to Level 3's shareholders and is not commercially balanced between the two parties. Due to recent acquisition activities, Level 3 has, in many cases, acquired duplicative contracts with the same vendors. In order to better manage these relationships, Level 3 has undertaken a process to review all major vendor relationships and negotiate new agreements, as appropriate.

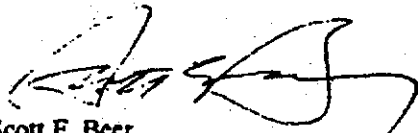
Our review of the various agreements between the acquired Level 3 companies and Neutral Tandem, including the agreement with Broadwing Corporation, has served to further highlight the current imbalance that exists between Neutral Tandem and the combined Level 3 companies. As such, pursuant to the Term Section of the MASTER SERVICE AGREEMENT between Neutral Tandem Inc. and Focal Communications Corporation, dated February 2, 2004, we are providing notice to terminate this contract effective March 23, 2007.

Continuing the relationship with Neutral Tandem under the current combined Level 3 agreements, therefore, is not a commercially reasonable or manageable option. As such, Level 3 hopes to be able to reach a single agreement with Neutral Tandem to correct the current commercial imbalance and allow Level 3 to more easily manage its relationship with Neutral Tandem. We expect that a new agreement would supersede the current agreements and, moving forward, provide a single set of terms and conditions for the benefit of both parties.

In furtherance of the goals stated herein, Level 3 has agreed to extend the termination effective date of the agreement between Level 3 Communications, LLC and Neutral Tandem to March 23, 2007, with a desire to renegotiate a suitable commercial relationship. To the extent that Level 3 and Neutral Tandem are not able to reach mutually agreeable terms, Level 3 intends to exercise its contractual rights to terminate the remaining existing agreements with Neutral Tandem and the combined Level 3 companies in accordance with our contractual rights and to otherwise manage the traffic exchanged under these legacy agreements. Under this scenario, Level 3 would work closely with Neutral Tandem in order to affect an orderly transition to mitigate any risks associated with Neutral Tandem customer traffic.

We look forward to our upcoming discussions and hope we can reach a new agreement that more appropriately balances the interests of our respective companies.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott E. Beer", is written over a faint, circular embossed seal or watermark.

Scott E. Beer
Vice President, Carrier Relations